The Pyongyang Times

No. 57 (754) Weekly Saturday, December 30, 1978 PYONGYANG, DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

Platform of the National Meeting of Financial and Bank Workers held in the presence of the great leader Comrade Kim Il Sung

National Meeting of Financial and Bank Workers Held, Attended by Great Leader Comrade KIM IL SUNG

A national meeting of financial and bank workers was held from December 20 to 23 in Pyongyang, capital of revolution, in the presence of Comrade Kim Il Sung, the great leader of our Party and our people.

The meeting was attended by 3,000 financial and bank workers and bookkeepers from all parts of the country and leading personnel of Commissions and Ministries of the Administration Council and national bodies.

Placed with due respect on the platform of the meeting was a portrait of the great leader Comrade Kim Il Sung.

Comrade Kim Il Sung, the great leader of our Party and our people, appeared on the platform amid the playing of the welcome music.

At that moment, stormy cheers of "Long live the great leader Comrade Kim Il Sung!" and thunderous applause burst forth, shaking the meeting hall.

Amid prolonged cheers of hurrah model financial and bank workers presented him with a basket of flowers carrying the boundless reverence of the assemblage of the meeting and the entire financial and bank workers and book-keepers of our country.

The platform was taken by Comrade Kim Il, Vice-President Kang Ryang Uk, Comrades Pak Sung Chul, Li Jong Ok, Rim Chun Chu, Chon Mun Sop, Kye Ung Tae, Kim Man Gum, Kang Song San, Chong Jun Gi, Ro Tae Sok, Kim Chol Man, Yun Gi Bok, Choe Jae U, Cho Se Ung, Hong Si Hak, So Gwan Hi, Kong Jin Tae, Kang Hui Won and Pyon Chang Bok; and personages concerned and model financial and bank workers and bookkeepers.

Following an opening address, Comrade Kim Gyong Ryon, Minister of Finance, made a report "On Measures for More Thoroughly Implementing 'On Strengthening the Function and Role of Finance in the Socialist Construction', a Classic Work of the Great Leader Comrade Kim Il Sung".

Many took the floor.

At the meeting the great leader Comrade Kim Il Sung made a speech of great significance elucidating the important position and role of the state finance work in successfully carrying out the Second Seven-Year Plan and powerfully accelerating socialist construction and indicating the major tasks for carrying to thorough fulfilment the financial policy of our Party and improving and strengthening the financial and bank work.

Those present at the meeting evinced their determination to carry out the new long-term plan ahead of schedule and promote more energetically the socialist construction by thoroughly implementing the Party's financial policy, upholding the highly important teachings given by the great leader Comrade Kim Il Sung at the meeting.

The meeting proudly reviewed the past work, noting that in the past period the finance of our country under the wise guidance of the great leader Comrade Kim Il Sung reliably guaranteed financially the socialist construction growing at a fast rate and thereby made a great contribution to firmly laying the foundation of the independent national economy and improving the people's living standards and registered great success in creating large financial reserves, while firmly guaranteeing the expenditures needed for carrying out the first year task of the Second Seven-Year Plan and stressed that this convincingly showed the correctness of our Party's financial policy.

The meeting emphasized that a new turn should be effected in the financial and bank work on the basis of the already made success to brilliantly carry out the tasks facing finance and banking in the implementation of the national economic plan for next year, the second year of the new long-term plan, and noted that to this end, the functionaries in the domain of finance and banking should thoroughly implement the Party's financial policy.

It stressed that what is important in carrying into practice the Party's financial policy is to strengthen the cost-accounting system and the financial discipline in all domains, effectively enforce the local budgetary system and further enhance the role of the banks. And it pointed out that for this the functionaries in the domain of finance and banking should give fuller scope to the revolutionary habit of fulfilling the Party's financial policy without any reservation and working as required by the great Chongsan-ri method.

A message of pledge to the great leader Comrade Kim Il Sung was adopted at the meeting.

A closing speech was made at the meeting.

The great leader Comrade Kim Il Sung posed for a photograph with those present at the meeting.

Great Leader Comrade KIM IL SUNG

Receives Delegation of Japan Socialist Party

The great leader Comrade Kim Il Sung received on December 22 the delegation of the Japan Socialist Party.

Present on the occasion were the members of the delegation headed by Shimodaira Shoichi, Vice-Chairman of the Central Executive Committee of the JSP and Member of the House of Representatives.

On hand were Comrade Kim Yong Nam, Member of the Political Committee, and Secretary, of the Central Committee of the Workers' Party of Korea, and Comrade Hyon Jun Guk, Member of the Central Committee of the WPK and Vice-Director of a Department of the Party Central Committee.

President Kim Il Sung had a talk with the guests in a cordial and friendly atmosphere.

On the same day he arranged a luncheon in honour of the delegation.

Great Leader Comrade KIM IL SUNG

Sends Gifts

To Chairman of Revolutionary Council and Prime Minister of Afghanistan

The great leader Comrade Kim Il Sung sent gifts to Noor Mohammad Taraki, Chairman of the Revolutionary Council and Prime Minister of the Democratic Republic of Afghanistan.

The DPR of Korea Ambassador to Afghanistan on December 10 conveyed a personal letter and farm machines sent from the great leader Comrade Kim Il Sung to Chairman and Prime Minister Noor Mohammad Taraki, according to a report.

The Chairman and Prime Minister expressed deep thanks for this and asked the ambassador to convey his best regards to him.

The personal letter and gifts of the great leader Comrade Kim Il Sung are very precious to the Afghan people, he said.

Stating that it is a duty of the Afghan people to express support to the cause of Korea's reunification, he said that the Afghan people always treasure their friendship with the fraternal Korean people led by the great leader Comrade Kim Il Sung.

The conversation proceeded in a friendly atmosphere.

To Member of General Secretariat of SPLAJ General People's Congress

The great leader Comrade Kim Il Sung sent a gift to Abdel Salam Ahmed Jalloud, Member of the General Secretariat of the General People's Congress of the Socialist People's Libyan Arab Jamahiriya.

His gift, the film "The Goodwill Mission of the Libyan People", and his warm greetings to General Secretary Maummer Al Gaddafi of the SPLAJ General People's Congress were courteously conveyed to Abdel Salam Ahmed Jalloud by Korean Ambassador Kye Jang Hwan to Libya.

The Member of the General Secretariat expressed heartfelt gratitude for his gift to him and warm greetings to the General Secretary and said:

The respected and beloved leader Comrade Kim Il Sung is a hero of the Third World and a great leader of the Third World leading the liberation struggle and construction and a staunch and distinguished leader.

The experience gained by the Korean people under the leadership of the great President is the priceless wealth of the world's people who desire to liberate themselves.

TELEGRAMS

✦ The great leader Comrade **Kim Il Sung**, President of the Democratic People's Republic of Korea, sent a message of greetings to His Highness **Isa Bin Sulman Al-Khalifa**, Emir of State of Bahrain, on the occasion of the national day of the State of Bahrain.

✦ The great leader Comrade **Kim Il Sung**, President of the DPRK, sent a message of greetings to His Excellency **Kenneth David Kaunda** on his reelection as President of the Republic of Zambia.

✦ The great leader Comrade **Kim Il Sung**, President of the DPRK, cabled a reply to His Excellency **El Hadj Omar Bongo**, President of the Republic of Gabon, for the latter's message of greetings sent in connection with the Second World Conference for the Reunification of Korea.

✦ The great leader Comrade **Kim Il Sung**, General Secretary of the Central Committee of the Workers' Party of Korea and President of the DPRK, received a message from Comrade **Nicolae Ceausescu**, General Secretary of the Romanian Communist Party and President of the Romanian Socialist Republic, in reply to his message of greetings sent to the latter on the occasion of the 60th anniversary of the formation of the single national state of Romania.

✦ The great leader Comrade **Kim Il Sung**, General Secretary of the CC of the WPK and President of the DPRK, received a message from Comrade **Enver Hoxha**, First Secretary of the CC of the Party of Labour of Albania, and Comrade **Haxhi Lleshi**, President of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, in reply to his message of greetings sent on the occasion of the 34th anniversary of the liberation of Albania and her victory in the people's revolution.

✦ The great leader Comrade **Kim Il Sung**, President of the DPRK, received a message from His Excellency **Hafez Al Assad**, President of the Syrian Arab Republic, in reply to his message of greetings sent to the latter on the occasion of the 8th anniversary of the corrective movement in the SAR.

✦ The great leader Comrade **Kim Il Sung**, President of the DPRK, received a message from His Highness **Zayed Bin Sultan Al Nahayyan**, President of the United Arab Emirates, in reply to his message of greetings sent to the latter on the occasion of the 7th anniversary of the UAE's national day.

✦ The great leader Comrade **Kim Il Sung**, President of the DPRK, received a message from His Excellency **Elias Sarkis**, President of the Republic of Lebanon, in reply to his message of greetings sent to the latter on the occasion of the 35th anniversary of Lebanese independence.

KIM IL SUNG

LET US STEP UP SOCIALIST CONSTRUCTION BY EFFECTIVE FINANCIAL MANAGEMENT

The great leader Comrade Kim Il Sung made a highly important speech entitled: **"Let Us Step Up Socialist Construction by Effective Financial Management"** at the National Meeting of Financial and Bank Workers on December 23, 1978.

The following is the full text of his speech:

Comrades,

On behalf of the Central Committee of the Workers' Party of Korea, the Government of the Republic and the entire Korean people, I would like to begin by offering my warm greetings to the National Meeting of Financial and Bank Workers.

I am very satisfied with the fact that in the first year of the Second Seven-Year Plan you executed successfully the plan of state budgetary revenue to fully meet the huge expenditures needed for ensuring economic construction and defence upbuilding and improving the people's life and laid up the financial reserves amounting to 900 million *won* as of the end of November. For this I would like to express my deep gratitude to you present here and all the financial and bank workers.

Our Party's financial policy is very correct and judicious. Over the last ten years, our state budgetary revenue showed a high-rate growth of 13 per cent on an annual average to augment the scale of the state budget 3.4 times. The finance of our country now ensures in five days as much budgetary revenue as in the whole year of 1949. This proves that our Party's financial policy guarantees a correct balance between accumulation and consumption and correctly embodies the law that guides the development of the socialist planned economy which is making continued innovation and uninterrupted advance.

Today the financial burden in our country is heavier than in any other countries of the world. Our country is not so large. If our country is reunified, it will be, of course, a big country with a population of 50 million. But now, being divided into the north and the south, our country cannot be regarded so large. Nevertheless, it maintains an army hundreds of thousands strong entirely at its own expense and rears and educates more than 8.6 million children and students at state and social expense. People of many countries call our country the "kingdom of education". This is well said, indeed. Now in our country 3.5 million children are reared at state and social expense at the nurseries and kindergartens and 5.1 million pupils and students are educated free of charge at schools of all levels from the primary school to the higher educational institution. This is a very proud and fine thing.

No one would complain, even if we ate rice only once a day and had to take thin gruel for the other two meals, considering that our country, being divided, maintains an army hundreds of thousands strong and rears and educates children and students accounting for more than a half of the population at state expense. But we let all the people have their fill of rice for their daily three meals. Now the word gruel itself is not known to our younger generation. And our entire people are supplied with clothes in each season and a free medical service system, a system of social maintenance and a system of recuperation and rest at state expense are in force.

We cover the huge outlay for this with our own earnings. We never collect taxes from the people to meet the financial need. Ours became a tax-free country long ago. It is the first tax-free country in the world, I think.

Our country has become the first country which levies no taxes at all upon the people while bearing the heavy burden of educating all the students free of charge and giving free medical service to the entire people. This fact well proves how great the line and policies of our Party are and how courageous the struggle of our people is.

Foreign visitors to our country say that our people do not keenly feel their happiness, as they always lead a happy life.

Yesterday I met a Party delegation from a certain country. On the occasion the head of the delegation said that he visited more than 70 countries, but he had never seen such a clean country as Korea where all the people are cheerful, simple and energetic and live with pride. Expressing great admiration for our people who have carried out socialist construction successfully, he noted that the Democratic People's Republic of Korea is a model country of socialism; it is building a most sound, a most dignified and a most popular socialism along the rightest track. So I told him that although it may be too much to say our country is a model of socialism, our people are living as well as others.

We have done, indeed, a lot of work in socialist economic construction. During the past Six-Year Plan period alone, we not only totally abolished the taxation, but also reduced the prices of goods by a wide margin and considerably raised the living allowances to the working people.

All these proud achievements made in socialist economic construction are results of the energetic endeavours of our people to implement the line and policies of the Party; they are a striking demonstration of the superiority of our socialist system.

The financial and bank workers are largely credited with the tremendous successes so far achieved in socialist economic construction. I would like to avail myself of this opportunity today to express once again my heartfelt thanks to the financial and bank workers and all other workers in the economic field who are striving to implement our Party's financial policy.

The achievements of our people in socialist construction are enormous and we may well proudly declare them to the world. We have every reason to feel honour and pride in them.

We started building the country from scratch. We built factories and enterprises out of nothing and replaced our huts and dugouts with modern houses and many-storied buildings. Our country now has a large number of machine plants, light industrial factories and various other factories. There was no club worthy of mention in the past. But, today, public halls, study rooms, theatres, cinema houses, palaces of culture, children's palaces and other cultural and educational establishments are found everywhere. All these are fruits of the energy and sweat of our people.

Starting from scratch, we have reached this high level today. On this basis we can make a faster development and do everything we want.

During the postwar reconstruction, with no cranes available, we made wooden derricks and used them. With those wooden derricks we built many-storied houses, hotels for foreigners and modern streets of Pyongyang. But, now there stand cranes like so many trees of a forest at all the construction sites.

We will surely attain the grand targets of the Second Seven-Year Plan as we have a firm economic foundation, experience gained in building a new country from scratch, competent native cadres and steeled working class and labouring people. There is no room for doubt as to this.

The recent 17th Plenary Meeting of the Fifth Central Committee of the Party discussed the 1979 plan for the development of the national economy and put forward militant tasks for effecting a new turn in socialist economic construction. Next year, we should satisfactorily solve the problems of fuel and raw materials and place production on a normal basis in all domains by giving a definite precedence to the extractive industries, further improve the people's living by operating the light industrial factories at full capacity, ease the strain on transport and fully meet the growing demand for transport. When these tasks set forth at the Plenary Meeting of the Party Central Committee are carried out successfully, the economic potential of our country will grow still further, the people's living be elevated to a higher stage and the Second Seven-Year Plan be fulfilled ahead of schedule.

The economic potential of our country is, of course, very great and the living standard of our people is fairly high today. Our independent national economy produces by itself everything needed for economic construction and people's living and all our people do a fruitful work and live a happy life, enjoying the benefits of a universal free educational system and free medical service system with no worries about food and clothing. But, we must not rest content with this. We should continuously develop our independent national economy and steadily raise the living standard of the people. To this end, the new tasks of economic construction advanced by our Party should be carried through.

What, then, are the duties of the financial and bank workers in carrying out the new tasks of socialist economic construction?

It is essential, above all, to apply the cost-accounting system properly.

To do this is very important in managing the socialist economy. It is a requirement of the socialist law of economy to manage the factories and enterprises on the principle of cost-accounting system. Through our practical experience ever since the first period of socialist construction, we have keenly felt that it is very important to rightly enforce this system.

A correct application of the law of value should be made for a proper implementation of the cost-accounting system. Only this makes it possible to lower the standard of consumption per unit product and raise the output value per employee and the quality of products.

The failure in making a correct application of the law of value is one of the major shortcomings in managing the socialist economy now.

As I said at the 17th Plenary Meeting of the Fifth Central Committee of the Party, it is primarily due to the incorrect application of the law of value that some products including coal are of low quality at present.

When a coal mine has failed to turn out good-quality coal, its management activities must suffer for this. But they do not. So the coal-mine officials pay little attention to raising the quality of coal.

Such a practice runs counter to the regulations of the cost-accounting system. In order to prevent coal mines from this kind of usage, the price fixing workers should correctly set the prices of coal in several grades, and the financial and banking establishments should strengthen control by *won*. It was a mistake that in the past the financial and banking agencies supplied money to the coal mines only according to the production figures without asking about the quality of coal.

The financial and bank workers neglect to exercise financial control over light industry and other fields, too.

I saw the samples of dresses made and furnished by light industry to clothe children and students next year, and they were well made. But it is no use only to make good samples. The dresses to be supplied to the children and students should all be well made. In the past period, too, the samples used to be handsomely made. But when it came to mass-producing the dresses at the light industrial factories, there appeared the practices of making them at random without making them as nicely as the samples although the materials were the same kind.

Nevertheless, the financial and bank workers are only concerned about increasing the state's budgetary revenue by collecting turnover levies, but are little interested in inducing the factories and enterprises through intensified financial control to improve the quality of products and to apply the cost-accounting system correctly.

Because the cost-accounting system has not been properly established, the output value per worker is not yet very high in general. Although it is a long time ago that the objective of raising the per-worker output value above 10,000 *won* was advanced, there are many factories and enterprises that have not yet attained the goal, and there are also ones that are marking time, unable to rise higher from the level they have already reached.

If the law of value is to be applied correctly and the cost-accounting system established properly in various branches of the national economy and at factories and enterprises, it is true that the General Bureau for Price Fixing under the State Planning Commission, the State Science and Technology Committee, the General Bureau for Quality Control and those officials who are directly in charge of guiding production activities should enhance their role. But it is also of great consequence to heighten the role of the financial and bank workers.

Because at present the financial and bank workers neglect to exercise financial control, both the people who have turned out good products and the people who have turned out products of low quality are appraised equally and those who have worked more and those who have done less receive equal pay. This will not do. The people who have turned out high-quality products and the people who have done a great deal of work should as a matter of course be appraised more highly and receive more money than the people who have not.

A correct financial control in the financial and banking domain in accordance with the demand of the law of value stimulates the factories and enterprises to intensify the struggle for economy, improve the management of equipment and actively wage a technical innovation movement and further raises the creative enthusiasm of the working people. Then it is possible to lower the standard of consumption per unit product, raise the output value per employee and markedly improve the quality of products. Therefore, it is important for the financial and bank workers to fully play their role in expediting socialist economic construction and improving the people's living.

If this meeting has criticized the financial and bank workers too mildly for their failure to exercise financial control properly, it is advisable to offer them more criticism. Criticism is not aimed at scolding and hitting out at anyone, but designed to make him rectify his shortcomings and do his work better. It is a driving force to advance work further.

In the domain of light industry, too, it is essential to intensify criticism in order to improve the quality of products. As I told the leading functionaries in the field of light industry after seeing the samples of dresses for children and students, it is advisable for them to go among the workers, peasants, students, youth and children two or three times a year and arrange competitive shows of light industrial goods to receive criticism from the people. Then the standard of material consumption per unit product can be lowered and the quality of products raised.

The financial and bank workers must strengthen financial control in future to make the factories and enterprises in different branches of the national economy correctly apply the cost-accounting system in conformity with the demand of the law of value.

At the same time, the number of cost-accounting enterprises must be increased continuously.

There are as yet many organs and enterprises financed under the state budget. More institutions and enterprises in many fields such as land administration, city administration and procurement

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LET US STEP UP SOCIALIST CONSTRUCTION BY EFFECTIVE FINANCIAL MANAGEMENT

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must be switched over to the cost-accounting system.

Next, financial discipline must be strengthened.

The aim of strengthening financial discipline is to prevent waste of money.

At present there are many undisciplined practices of expending money freely and at random. There still exist such empty forms and shows as arranging unnecessary banquets and gatherings and offering meaningless gifts and such practices as exceeding the limits of expenditure set by the state budget through making outlays thoughtlessly for construction projects not envisaged in the plan.

The financial and bank workers must combat such practices going against financial discipline, enforce rigid discipline and strengthen financial control in carrying out the budget.

All outlays must be made correctly under the disbursement provisions specified in the state budget and even a single extra penny must not be paid out.

The financial and bank workers are servants of the people who work to guarantee a happy life for them with the money earned by them. Therefore, they must always keep to the position of saving as much money of the state as possible and giving greater profits to the state.

To spend more money than stipulated by the state and make outlays in contravention of the rules is a violation of the state law. As the state budget is a law of the state adopted at the Supreme People's Assembly, the highest organ of state power, no one has the right to violate it. Making a correct outlay as stipulated in the state budget is the primary task for strengthening financial discipline.

For the strengthening of financial discipline, the financial work must be summed up properly.

Now some leading economic personnel pay little attention to summing up the financial work as they have poor knowledge about finances. That is why state organs, enterprises and cooperative organizations do not properly sum up the fulfilment of the budgets.

All the state organs, enterprises and cooperative organizations must sum up the fulfilment of the budgets timely and correctly. Every month and every quarter the factories, enterprises and cooperative organizations must inform the workers, office employees and cooperative members in detail of how much they have earned and spent and how much profits they have brought to the state. This is essential to strengthening the mass control and supervision of the fulfilment of the budgets and enforcing rigid financial discipline. Financial discipline cannot be established well only by the efforts of the financial organs. Rigid financial discipline can be enforced only when the popular masses supervise and work for the management of finances and bear joint responsibility for it.

State organs, enterprises and cooperative organizations must sum up the management of finances monthly, quarterly and semi-annually.

The financial work must be summed up not only by the cost-accounting establishments but also by the organizations financed under the state budget. Only by summing up their finances in good time can the latter carry on business soundly with the funds provided under the state budget.

The proper summing up of the finances will enable all functionaries and working people to build up the economic life of the country assiduously and make greater efforts to overfulfil their revolutionary tasks in socialist economic construction.

Next, the struggle against wasteful practices must be intensified.

Now there are many cases of recklessly using and wasting the common property of the state and society.

All the properties of the state and society are gains of the people. So they belong commonly to the people. Under the socialist system everybody gets as much as he has worked according to the socialist principle of distribution. Therefore, in socialist society nothing can be had free. Even in communist society where distribution is done according to needs, everyone must work, so there is nothing that can be got free. But because capitalism remains in the minds of people now, there is a pronounced tendency of loving windfalls, and the practice of using carelessly and wasting the common property of the state and society persists among the functionaries of factories, enterprises and cooperative farms.

Take fabrics for example. They are used quite wastefully. At present, thanks to the solicitude of the Party and the state clothes are issued to the workers in various branches of the national economy including railway transport and mining industries, but a great deal of fabrics are wasted because clothes are made in a slipshod manner and the supply standards fixed by the state are not observed. Moreover, some of the state and economic establishments purchase fabrics being supplied to the people and use them in making curtains, chair covers and the like. State and economic institutions disburse state funds unjustly in this manner to purchase and waste a large quantity of fabrics. So little fabrics are on sale in the stores, although they are produced a great deal every year.

There is a prodigal waste mainly because financial control is weak and the prices of goods are set incorrectly.

According to the investigation into the waste of fabrics this time, in Ryanggang Province they twist rope with vinalon yarn and stretch it for hop bines to creep on. Ropes necessary for hop growing can be twisted either with linden tree bark found abundantly in mountains or with jute planted on the edges of the fields. But because the wholesale price of vinalon yarn is cheap, precious vinalon yarn is purchased and wasted by twisting it into ropes when it can be used to weave good textiles. Our functionaries do not think that if they use vinalon yarn in twisting rope, the output of fabrics will be so much the less.

To cite an instance of fertilizer application on cooperative farms. The state supplies them with fertilizer at low prices. So they do not value it but apply it carelessly. Thus, the precious fertilizer is wasted and, furthermore, farming is hindered.

The financial and bank workers should wage an intense struggle against wasteful practices and always inspect and control the financial activities in all branches.

The financial organs of our country are fundamentally different from those of the capitalist countries in their mission and role. The financial organs of the capitalist countries mainly perform the role of collecting taxes from the people and issuing salaries to civil servants, whereas our financial organs play the function as a master who directly deals with the money of the country needed for managing socialist industry and agriculture and improving the people's living. Therefore, the financial workers should fight relentlessly against the misappropriation and extravagance of state fund and its random expenditure.

Next, the local budgetary system must be further strengthened.

This is a unique socialist budgetary system introduced in our country for the first time.

Before the local budgetary system was introduced, all funds for the economic life in our local areas were appropriated under the national budget. However, several years after this system began to be applied, all local areas ensure their expenditures with their own incomes and earn a large sum of money to deliver it to the state. Last year, too, a lot of money amounting to 1,000 million *won* was delivered to the state treasury as a result of the successful execution of the local budgetary system.

Our local budgetary system is, by nature, fundamentally different from the budgetary system of the capitalist countries. In capitalist countries the budget is made up of taxes collected from the people, so an increase of budgetary revenue means exploiting the people that much. But the money delivered by our local budget to the state is extra earnings from the development of local industry and improvement of public services and it is money which renders benefits to the state after satisfying the people's need for their living. Our local budgetary system, therefore, is a very superior one.

I am very satisfied that the government officials and financial workers have upheld the Party's policy on the local budgetary system and scored good results in the past.

But we should not rest content with already achieved successes; we should strive to develop the local budgetary system in future.

Developing this system means precisely developing local industry, agriculture, fisheries, public welfare, procurement work and the like, so that local areas can manage their economic life on their own.

In strengthening the local budgetary system it is very important to improve the procurement work and thus develop local industry.

Since procurement work is unsatisfactory at present, we are unable to make a faster development of local industry. As I emphasized at the Changsong Joint Conference of Local Party and Economic Functionaries held in 1962, the main job of local industry is to purchase promptly agricultural produce from the farmers and other locally available raw materials to produce daily necessities and foodstuffs and supply them to the rural inhabitants. Therefore, inadequate procurement work will not help to develop local industry. In future we should establish a proper procurement system and improve procurement work definitively, thereby providing a sufficient amount of raw materials to local industrial factories.

Great efforts must be directed to the development of fisheries in local areas.

In the field of fisheries there still exist immense reserves for increasing production. Development of fisheries in local areas will enable us to make much more money and enforce the local budgetary system smoothly. In localities the inshore fishing should be developed actively and all conditions and possibilities be turned to good account to increase marine products.

The production of chickens, eggs and meat should be also boosted in local areas and these products be offered for sale in the stores and peasant markets. Then, this will be greatly helpful to the people's life and increase the financial revenue of the state still further.

The financial and bank workers should strive to put into fuller play the superiority of the local budgetary system established by our Party and thus let the people in all localities enjoy an independent and creative life to their hearts' content.

Next, we must enhance the role of the banking organizations.

The bank is an establishment accommodating funds. Sometimes factories, enterprises and cooperative farms may have idle money and sometimes they may be short of funds in the course of managing their economy. Banks collect idle money without delay and furnish it to the organizations that need it and grant loans to those that are short of funds and thus function to guarantee their smooth management activities.

Immediately after liberation when the peasants suffered from lack of farming funds, we established the Peasant Bank to furnish them with farming funds.

After liberation, the peasants came to have land through the agrarian reform. But they had no draught cattle and seed grains and were short of farm implements. And they had no money to buy them. Seeing this situation of the peasants at the time, the landlords assumed the attitude: Let's wait and see how you farm empty-handed. And the rich farmers and usurers welcomed the golden opportunity and sought to exploit the poor peasants by lending them money at high interest. The people with draught cattle thought to hire them out to the poor peasants for a couple of days and, in return, get much rice in the autumn.

But at the time we had no money enough to lend to the peasants for farming funds. The Japanese imperialists had demolished all factories in their flight, and the few small factories that remained were all in the hands of private entrepreneurs. So we had no source of money.

We, therefore, decided to confiscate the property of the banking associations established by the Japanese imperialists to rob our countryside and set up the Peasant Bank with it. And we got the peasants to lay out as much money as they could in the Peasant Bank, those with one *won* contributing one *won*, those with two *won* contributing two *won* and those with three *won* contributing three *won*. We encouraged not only the peasants but the factory and office workers as well to invest money in the Peasant Bank. It was seen to that the investors in the bank got the dividend in autumn once a year.

The peasants actively supported the policy of establishing the Peasant Bank and all sank money in the bank. Thus, we were able to create a considerable fund for the Peasant Bank.

The Peasant Bank gave loans to the peasants so that they could buy draught cattle in Chagang Province and other mountainous areas and purchase seed grains and small farm implements. On the other hand, the state bought draught cattle with the money of the Peasant Bank and set up ox and horse hire stations to plough the fields for the peasants. At the time the hire was set so low as to pay for the draught animals' feed.

Thus, we successfully settled the problem of farming funds for the peasants which posed a very difficult question immediately after liberation and got the poor peasants free from the exploitation of the rich farmers and usurers. The Peasant Bank also played an important role in cultivating a cooperative spirit in the peasants and in making them know the advantages of cooperation.

In our country there are now the all-people ownership and cooperative ownership of the means of production and, accordingly, state-run economy and cooperative economy. In order to manage them properly, be it state-run or cooperative, it is required to raise the role of the banks for the maximum mobilization and utility of idle currency and establish a correct control by *won*.

By strengthening saving work, the banking organizations should actively mobilize the idle currency and, at the same time, properly organize loaning.

When agriculture was reorganized on cooperative lines, the banking agencies made long-term loans to the agricultural cooperatives and poor peasants, and short-term ones to the middle peasants, but gave no advance to rich farmers in accordance with our Party's class policy. Although this is not the case today, the role of the banking agencies is still very important. They must enforce strict discipline in payment and delivery and conduct the money-lending business soundly. They must correctly check up the applications for loans case by case and lend as much money as necessary to the factories, enterprises, cooperative farms and producers' cooperatives which badly need it. They should only make short-term loans to the factories and enterprises which are short of money because they have failed to fulfil their plans by indices.

The work of financial and banking establishments is inseparably related to each other. Therefore, they must skilfully conduct concerted operations.

Figure-work in the financial and banking organizations should be actively mechanized.

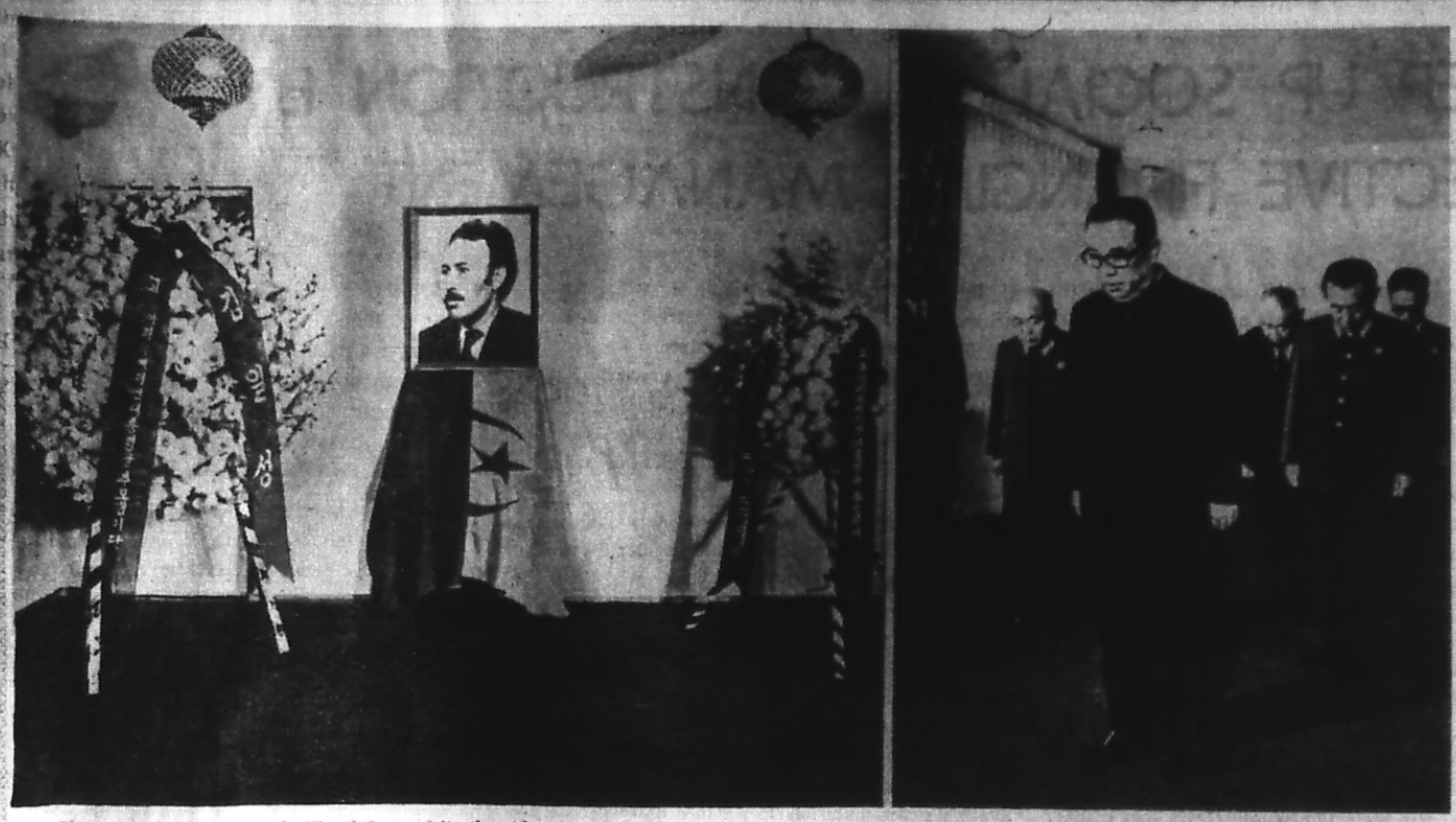
In the future all figure-work should be done by electronic computers. This is essential for speedy computation and economy of manpower. The banking agencies should earn plenty of foreign currency and procure up-to-date computing equipment.

The financial and banking establishments should employ many women.

At present women make up nearly half the labour force in our national economy. But their number in the financial and banking establishments is not large. This shows that our functionaries are not yet clear of the tendency to despise women. There is no reason why women are unfit to work in the financial and banking institutions. Rather, they can work better than men. From now on these institutions should take on a large number of women.

Over the past years the financial and bank workers have had a hard time, but in this course they have achieved many successes. Needless to say, our path ahead may also be beset with many difficulties. But there will be no difficulty as serious as encountered in the past. Now that the foundations of the financial and banking business have been solidly built up, the work in this sphere will be easier.

I firmly believe that in future all financial and bank workers will successfully get over the difficulties they encounter and creditably fulfil their tasks assigned by the Party.



The great leader Comrade Kim Il Sung visits the Algerian Embassy to extend his condolence on the death of His Excellency Houari Boumedienne

Great Leader Comrade KIM IL SUNG

Calls at Algerian Embassy to Offer His Condolence On the Demise of His Excellency Houari Boumedienne

The great leader Comrade Kim Il Sung, General Secretary of the Central Committee of the Workers' Party of Korea and President of the Democratic People's Republic of Korea, called at the Embassy of the Algerian Democratic and People's Republic to our country on December 29 to express his sincere condolence on the demise of His Excellency Houari Boumedienne, President of the Algerian Democratic and People's Republic, President of the Council of Revolution and Chairman of the Council of Ministers.

Laid there was a wreath sent by the great leader Comrade Kim Il Sung in front of the portrait of His Excellency Houari Boumedienne.

Amid the performance of dirge the great leader Comrade Kim Il Sung paid one minute's silent tribute to late His Excellency Houari Boumedienne with deep feelings of sorrow, expressed his deep sympathy to Chadly Mohammed, Algerian Charge d'Affaires ad interim, and offered words of deep consolation.

Then, he signed the mourners' book.

Written in the book were:

"I express my deep regret over the demise of His Excellency Houari Boumedienne, President of the Algerian Democratic and People's Republic, President of the Council of Revolution and Chairman of the Council of Ministers, who was our closest friend.

"His Excellency Houari Boumedienne was a national hero and an outstanding leader of the Algerian people who dedicated his whole life to the sacred cause for the triumph of the Algerian revolution and the autonomous development of the country and a prominent political figure of the Third World who rendered imperishable services to defending the dignity of the Arab nation, achieving the complete liberation of Africa and strengthening and developing the non-aligned movement and to consolidating the militant friendship and solidarity between the peoples of Korea and Algeria.

"The death of His Excellency Houari Boumedienne is a big loss not only to the Algerian people but also to the Korean people, the peoples of the non-aligned countries and the peace-loving peoples of the world.

"Though His Excellency Houari Boumedienne passed away, the precious exploits performed by him for the revolutionary cause of our times, will remain for ever."

Also present there were Vice-President Kang Ryang Uk, Comrades O Jin U, So Chol, Kim Yong Nam, Kim Man Gum, Ho Dam, Chong Jun Gi, Kong Jin Tae and Hwang Jang Yop.

His Excellency Rabah Bitat

Acting President
Algerian Democratic and People's Republic

Algiers

I received with bitter grief the sad news that His Excellency Houari Boumedienne, President of the Algerian Democratic and People's Republic, President of the Council of Revolution and Chairman of the Council of Ministers, who was our closest friend, passed away from a long illness.

I, in the name of the Central Committee of the Workers' Party of Korea, the Government of the Democratic People's Republic of Korea, the Korean people and in my own name, extend deep condolences to you and, through you, to the Council of Revolution, the National Liberation Front of Algeria, the Government of the Algerian Democratic and People's Republic, the entire Algerian people and the bereaved family of the deceased at this sad moment when we lost a courageous comrade-in-arms who advanced hand in hand with us on the common front of anti-imperialism and independence.

His Excellency Houari Boumedienne, a staunch anti-imperialist fighter, was a national hero of the Algerian people, an outstanding leader, and a prominent political figure of the third world.

He led the Algerian revolution to victory by organizing and leading a protracted armed struggle against the imperialist oppressors and devoted his whole life to the sacred cause of the building of a new independent life of the Algerian people and the socialist construction of the country with strict principle and unbreakable fighting will.

He fought actively against imperialism, colonialism and Zionism and for defence of the dignity of the Arab nation, and made a great contribution to promoting the common cause of the third world peoples for supporting the anti-imperialist national liberation struggle of the oppressed people, for the complete liberation of Africa and the strengthening and development of the Non-Aligned Movement.

President Houari Boumedienne, a close friend of the Korean people, always expressed full support and firm solidarity for the just struggle of our people to achieve the independent and peaceful reunification of the country and made all efforts to consolidate and develop the militant friendship and solidarity established between our two peoples under the banner of anti-imperialism and independence.

These exploits of His Excellency Houari Boumedienne brightly shine in the history of friendship between Korea and Algeria.

The death of His Excellency Houari Boumedienne is a big loss not only to the Algerian people but also to the peoples of all the new-emerging countries.

We believe that, though His Excellency Houari Boumedienne passed away, the precious exploits he made for the revolutionary cause of our times for independence, sovereignty and social progress will remain forever in the hearts of the Algerian people, the Korean people and the third world people.

KIM IL SUNG
President
Democratic People's Republic of Korea

Pyongyang, December 28, 1978

Great Leader Comrade KIM IL SUNG

Sees Drama "The Village Shrine"

The great leader Comrade Kim Il Sung December 27 saw the revolutionary drama "The Village Shrine" performed by the State Drama Troupe.

The performers were full of emotion and joy, honoured with his appreciation of their drama.

When the great leader of our Party and our people Comrade Kim Il Sung appeared in the box to the strains of the welcome music, there arose stormy cheers of "Long live the great leader Comrade Kim Il Sung!" and thunderous applause throughout the theatre.

Members of the theatre presented him with a basket of flowers carrying the unanimous feeling of loyalty of the entire artists of our country.

Seeing the performance together with him were Members and Alternate Members of the Political Committee of the Central Committee of the Party, Secretaries of the Central Committee of the Party, Vice-Premiers of the Administration Council, Department Directors of the Central Committee of the Party, Chairmen of Commissions and Ministers of the Administration Council, leading functionaries of working people's organizations, high-ranking officers of the Korean People's Army, leading functionaries of Pyongyang municipal Party and government bodies, leading men from scientific, educational, cultural, art, public health and press circles, as well as working people in the city.

The immortal classic masterpiece "The Village Shrine" was first put on stage in 1928, the early period of the glorious anti-Japanese revolutionary struggle organized and led by General Kim Il Sung. It has been reproduced in the revolutionary drama under the guidance of the Party. This revolutionary drama is a monumental work marking a new milestone in the drama revolution in our era, which differs from all the former dramas in ideological content and artistic depiction in dramatical style and method of portrayal.

The creation of this revolutionary drama is a historic event in the production of Juche-based revolutionary drama and a powerful demonstration of the judiciousness of our Party's Juche-based literary and art ideas and the invincible vitality of the revolutionary traditions of literature and art.

The drama was warmly applauded by the audiences for its high ideological content and artistic value.

After the performance, cheers of hurrah burst forth again.

The great leader Comrade Kim Il Sung answered the enthusiastic applause of all the performers and audiences and congratulated the artists on their successful performance.

DPRK Central People's Committee Announces Decision upon Death of ADPR President Houari Boumedienne

A decision of the Central People's Committee of the Democratic People's Republic of Korea was made public on the death of His Excellency Houari Boumedienne, President of the Algerian Democratic and People's Republic, President of the Council of Revolution and Chairman of the Council of Ministers.

The decision noted:

The death of President Houari Boumedienne is a heavy loss not only to the Algerian people but to the Korean people and the revolutionary peoples of the world.

The Korean people are overwhelmed with sorrow on the passing away of President Houari Boumedienne.

1. The CPC of the DPRK marks off the funeral day of President Houari Boumedienne as a day of national mourning to express profound condolences over his death.

2. On the day of national mourning, the flags shall be flown at half-mast at all the organs, enterprises, schools and urban and rural houses of the DPRK.

3. That day all songs and dances shall be suspended throughout the country and a mourning radio program shall be broadcast.

Special Envoy of Great Leader Comrade KIM IL SUNG

Leaves Pyongyang to Attend Funeral of President Houari Boumedienne

Comrade Pak Suag Chul, a special envoy of the great leader Comrade Kim Il Sung, left Pyongyang on December 28 by special plane to attend the funeral of the late His Excellency Houari Boumedienne, President of the Algerian Democratic and People's Republic, President of the Council of Revolution and Chairman of the Council of Ministers.

The special envoy and his party were seen off at the airport by Vice-President Kang Ryang Uk, Vice-Premier Kong Jin Tae and personages concerned Kim Gyong Ryon, Kim Gil Hyon and Kim Hyong Ryul.

Chadly Mohammed, Charge d'Affaires ad interim of the Algerian Embassy in Pyongyang, and B.K. Pimenov, Minister-Councillor of the Soviet Embassy in Pyongyang, were also present at the airport.

Reflecting the Trend of the Times

According to a recently published China-US joint communique, the People's Republic of China and the United States of America have agreed to recognize each other and establish diplomatic relations starting from January 1, 1979.

In the joint communique the United States declared that the Government of the People's Republic of China is the only legitimate government of China and acknowledged that there is but one China and Taiwan is part of it.

In its government statement the United States stated that on January 1, 1979 it would terminate its diplomatic relations with Taiwan and that the mutual defence treaty concluded with it would come to an end. And the US President said that the United States would withdraw all its troops from Taiwan within four months.

The establishment of diplomatic relations between China and the United States is in the nature of case that is due between the states.

Nearly 30 years have passed since the people's revolution triumphed in China and the People's Republic of China was founded.

We welcome the normalisation of diplomatic relations between the People's Republic of China, our neighbour and fraternal country, and the United States, that put an end to the protracted relations of hostility between them.

It is a good thing for the People's Republic of China to establish state relations with various countries of the world and broaden the sphere of its activities in the international arena.

The opening of China-US diplomatic relations reflects the irresistible trend of our epoch when the people, once maltreated and oppressed, have taken their place on the stage of history as the master and are building an independent, new life.

In the joint communique, the United States declared that it would not seek hegemony in the Asia-Pacific region or in any other region of the world.

This is interesting and deserves welcome.

Seeking no hegemony accords with the desire and aspiration of the world's people to ensure self-determination to the countries and nations, ease the international tension and preserve peace.

As long as the United States stated that it would seek no hegemony in the Asia-Pacific region or in any other region of the world, we think that it should not seek it in Korea either.

Korea has been kept divided for one-third of a century. The division of Korea is the very root cause that contributes to creating tension and increasing the danger of war in this region and a factor accounting for the threat to peace in Asia and the rest of the world.

Korea must be reunified at an early date. Her reunification is the general desire of the Korean people and the people the world over.

If the United States intends not to seek hegemony in Korea, it should, inter alia, do some good in helping the reunification of Korea.

In other words, it should neither oppose the reunification of Korea nor encourage the south Korean puppet authorities to a war; furthermore, it would be advisable to withdraw its troops from south Korea as Mr. Carter had already pledged.

Korea neither was a party to the war of aggression nor is a defeated country, but a country artificially divided by outside forces. Ours is a nation which had been oppressed under the colonial yoke of foreign aggression forces and won its liberation by fighting the forces of occupation.

Ours is a nation which had lived, not divided, through its long history. The most earnest desire of our people today is to realise national reunification.

Even if our country is reunified, it will neither invade nor threaten other countries.

The Korean people have a great craving for peace. In their history over the millennia, our people have never unleashed a war against other countries nor attacked them. Our people's craving for peace remained, remain and will remain the same.

If the United States does not seek hegemony in Korea, but takes a step toward the realisation of its reunification, our people are fully able to preserve peace in Korea and solve the question of national reunification in a peaceful way.

The great leader Comrade Kim Il Sung has declared:

"If the US troops are withdrawn from south Korea, we are ready to make arrangements with the US side to remove the danger of a new war and guarantee a lasting peace in Korea."

The Government of our Republic has declared more than once: it would be ready to solve with the United States all necessary problems associated with the maintenance of peace in Korea at any time, if the latter adopted a proper attitude towards the reunification of Korea.

The three principles—independence, peaceful reunification and great national unity—and the five-point policy of national reunification which are widely known to the world are an embodiment of the consistent peace-loving stand adopted by the Government of our Republic.

We consider that if the United States truly seeks no hegemony in Korea, there are in Korea, too, all possibilities to remove the prolonged tension, consolidate peace and realise the peaceful reunification of the country.

Then, the United States, too, would be able to take hands off the Korean question without impairing its honour and this would conform to the interests not only of our people but also of the American people and Asian and world's peoples.

Asia has long been a theatre of international disputes since World War II.

The normalisation of the China-US relations means removing another cause of these disputes.

Since the United States, in opening diplomatic relations with China, pledged not to seek hegemony in Asia-Pacific region or in any other region of the world and expressed its readiness to terminate the mutual defence treaty concluded with Taiwan and withdraw all its troops from there in the near future, there is no ground whatsoever not to do the same in south Korea.

When it does so, the pledge of Mr. Carter to withdraw US troops from south Korea will practically prove trustworthy and an era of peace will come to the Far East.

Our people greatly treasure independence. We will always firmly maintain our national sovereignty and our country will not become a military base or an operational base for any foreign country after its reunification.

We will always harmoniously develop the relations of friendship and cooperation with all the peoples of the world who are friendly to our people and establish normal state relations with all countries which are not hostile to our country.

Ours is an era of independence. Many countries of the world demand independence and all the peoples oppose domination and dependence. No force on the globe can keep the world's people from demanding independence and the countries and peoples from aspiring to independence, self-sustenance and peace.

We are convinced that the question of Korean reunification also will certainly be solved in the long run in conformity with the rushing torrents of history in our times.

(Reprinted from "Rodong Sinmun")

At 8th Asian Games:

DPR of Korea's Football Team Places First

OUR PLAYERS CARRY AWAY 20 GOLD, 16 SILVER AND 21 BRONZE MEDALS

Our football team placed first at the 8th Asian Games.

It played six matches, none of which it lost, till it carried off the gold medal and became the strongest football team in Asia.

Before the final, our football team defeated the Burmese team 3:0, the Thai team 3:0, the Iraqi team 1:0 and the Indian team 3:1.

Meanwhile, our men's basketball team finished third and Kim Ok Son, Chang Gun Ok, Chong Dong Sun and Chang Yong Ae carried away the bronze medal in the women's 4×400 metre relay race.

At the Asian Games our players won 20 gold, 16 silver and 21 bronze medals, 57 all told.

Published by the Pyongyang Times Pyongyang, Democratic People's Republic of Korea No. 13014-891490